

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

*United States Attorney
Carol C. Lam*

For Further Information, Contact: Assistant U.S. Attorney William P. Cole (619)557-7859

For Immediate Release

NEWS RELEASE SUMMARY - May 30, 2006

United States Attorney Carol C. Lam announced that Maria De Lourdes Navarro was sentenced today in U.S. District Court in San Diego by the Honorable Marilyn L. Huff to serve 30 months in federal custody, based on Navarro's conviction for bank fraud.

According to court papers, from December 1998 to January 2003, Navarro was a Collections Operation Manager in the San Diego office of GreenPoint Credit Corporation ("GreenPoint"), an operating subsidiary of GreenPoint Bank, a federally-insured savings bank. Navarro's duties at GreenPoint included responsibility for collecting deficiencies on foreclosed mobile home mortgages. As part of her guilty plea last year, Navarro admitted that, during the fall of 2001, she began illegally diverting to her personal use money that she was collecting on GreenPoint's behalf. She accomplished this diversion by virtue of her ability to negotiate settlements of outstanding mortgage balances with GreenPoint's customers and her ability to manipulate GreenPoint's books. Specifically, Navarro admitted that she falsely represented to GreenPoint customers that their mortgage obligations could be satisfied by a drastically reduced lump sum payment. She

directed the payments to a collection agency, which then converted part of the payments to cashier's checks payable to Navarro or her creditors. Navarro admitted that she then covered up this fraud in GreenPoint's books by falsely representing that certain outstanding balances had been paid or that certain accounts were in litigation (or were being monitored by the legal department) and that no contact should be made with the account holders. Navarro admitted that, through this scheme, she defrauded GreenPoint of approximately \$249,000.

In addition to the 30-month sentence, Judge Huff ordered that Navarro serve a five-year term of supervised release following prison. Judge Huff also ordered that Navarro pay \$249,000 in restitution to GreenPoint. Judge Huff ordered Navarro to surrender to federal custody on or before July 14, 2006.

United States Attorney Lam stated, "Navarro used her position of trust to take advantage of her employer and her customers. Her lengthy prison sentence is well-earned and well-deserved."

DEFENDANT

Criminal Case No. 05-CR-0710-H

Maria De Lourdes Navarro

SUMMARY OF CHARGES

Title 18, United States Code, Section 1344 - Bank Fraud

Maximum penalties: 30 years in prison; a \$250,000 fine; and five years of supervised release.

PARTICIPATING AGENCY

Federal Bureau of Investigation